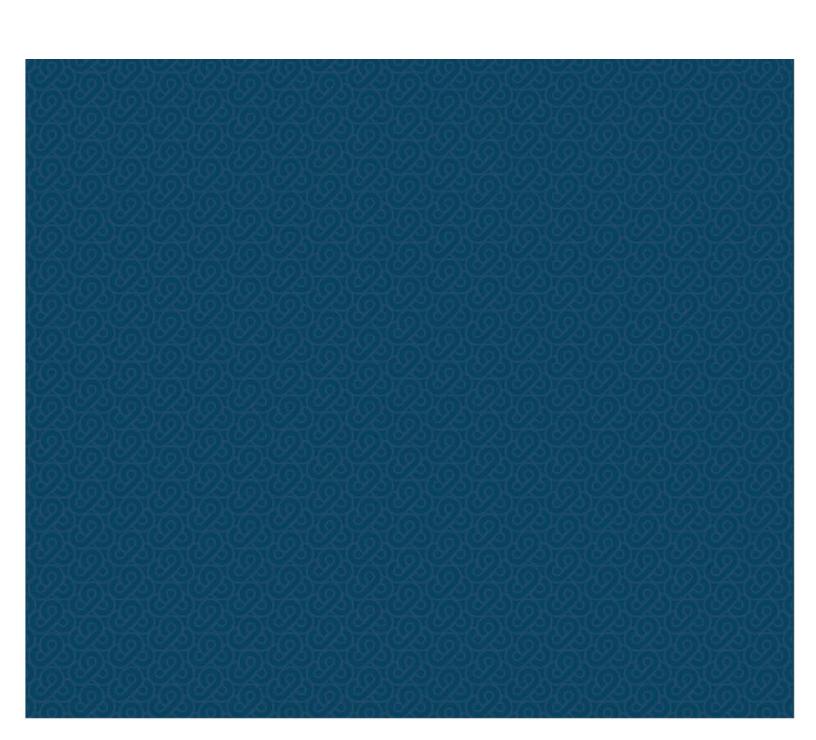
Exhibit XIV C – Water Rate Order Effective 01/01/12



DATE MAILED

JUL 1 0 2012

PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of City of Waukesha Water Utility, Waukesha County, Wisconsin, for Authority to Increase Water Rates

6240-WR-107

FINAL DECISION

This is the Final Decision in the Class 1 proceeding conducted by the Public Service Commission (Commission) on the application of City of Waukesha Water Utility (applicant) for approval to increase water rates. This application is APPROVED subject to conditions.

Introduction

The applicant applied to the Commission on December 8, 2011, for authority to increase water rates. A revised application was filed on December 15, 2011. The applicant requested an increase of \$2,189,308 (which is a 25 percent increase) in water revenues based on an estimated 9.00 percent rate of return (ROR). Commission staff's audit in this proceeding resulted in an increase of \$2,293,636 (which is a 27 percent increase) in water revenues based on a 5.75 percent ROR. Commission staff prepared a cost-of-service study and rate design proposal on April 3, 2012.

On March 12, 2012, a prehearing conference was held at the Commission to identify the parties, determine the issues that would be addressed in this docket, and to establish a schedule for the hearings. Two parties filed as interveners: Ms. Kira Loehr filed on behalf of the Citizen's Utility Board (CUB), and Ms. Elizabeth Wheeler filed on behalf of Clean Wisconsin.

The Commission held a telephonic hearing for technical issues and for public comment at Madison and Waukesha on May 11, 2012, before Administrative Law Judge Michael E.

Newmark. The parties, for purposes of review under Wis. Stat. §§ 227.47 and 227.53, are listed in Appendix A. The decision in this water rate case has been delegated to the Administrator of the Division of Water, Compliance, and Consumer Affairs.

Findings of Fact

- 1. It is reasonable to accept Commission staff's proposal to amortize actual preliminary costs related to the applicant's long-term water supply planning incurred between 2009 and 2011 and those budgeted for 2012.
- 2. It is reasonable to allow the applicant to continue following its existing accounting practices for tracking expenses related to its long-term water supply planning.
- 3. It is reasonable to accept the Commission's current deferral and recovery process for large water utility capital expenditure projects. No further investigation is required at this time.
- 4. It is reasonable to accept Commission staff's proposed 2012 test year estimate of \$85,000 in Account 928 for regulatory Commission expenses.
- 5. The applicant's presently authorized rates for water utility service will produce operating revenues of \$9,167,881 for the 2012 test year. These rates fall short of the test year revenue needed by \$2,293,636.
- 6. The estimated net investment rate base applicable to water utility operations for the 2012 test year is \$40,938,820.
- 7. A reasonable level of conservation costs recoverable in rates for the test year is \$62,271.

8. The rate changes set forth for water service in Appendix C will permit the applicant to earn the necessary revenue requirement and are consistent with the cost of service and rate design.

Conclusions of Law

- 1. The applicant is a municipal public utility as defined in Wis. Stat. § 196.01(5)(a).
- 2. The Commission has authority under Wis. Stat. §§ 196.03(1) and (3), 196.19, 196.20, 196.22, 196.37(1), (2), and (3), 196.395, and 196.40 to authorize the applicant to increase water utility rates and revise tariff provisions.

Opinion

Net Investment Rate Base

The estimated net investment rate base for the 2012 test year is as follows:

Utility Financed	Plant in Service	\$59,538,648
Less: Accumu	lated Provision for Depreciation	\$17,333,578
Net Plant in Ser	vice	\$42,205,070
Plus: Material	s and Supplies	361,711
Less: Regulato	ry Liability for Pre-2003 Accumulated Depreciation - CIAC	1,627,961
Net Investment	Rate Base	\$40,938,820

Comparative Income Statement

The estimated test year income statement showing the effect of the increase in revenue which will result from authorized rates is as follows:

	At Present Rates	Authorized <u>Increase</u>	After Rate Increase
Operating Revenues	\$9,167,881	\$2,293,636	\$11,461,517
Operating Expenses: Oper. & Maint. Exp. Depreciation Taxes & Tax Equiv.	\$5,656,507 1,616,884 <u>1,834,144</u>		\$5,656,507 1,616,884 <u>1,834,144</u>
Total Oper. Expenses	\$9,107,535		\$9,107,535
Oper. Income (or Loss)	<u>\$60,346</u>		\$2,353,982
Rate of Return	0.15%		5.75%

The depreciation expense included in the revenue requirement for the 2012 test year was computed using the depreciation rates shown in Appendix E. These depreciation rates are effective on January 1, 2012, for computing the depreciation expense on the average investment for each plant account.

Capital Structure

The applicant's capital employed in providing public utility service that is associated with the net investment rate base is estimated to be 70.22 percent municipal equity and 29.78 percent long-term debt. The composite cost of debt is 4.42 percent. A return on rate base of 5.75 percent will provide a reasonable return on municipal earning equity and 4.37 times interest coverage.

Recovery of Costs Related to the Lake Michigan Diversion

The applicant has incurred significant costs in its efforts to pursue a new source of water to replace its existing deep groundwater wells, which are contaminated with radium, and to comply with a 2009 stipulated agreement with the State of Wisconsin. The applicant recorded

costs of \$1,846,148 in Account 183, Preliminary Survey and Investigation Costs, from January 1, 2009 to December 31, 2011. The applicant continues to incur costs and anticipates additional expenses of \$2,445,235 in the 2012 test year. Typically, these costs are capitalized as part of the overall project at the time that a project is placed in service. The applicant has not yet received approval for the project but has incurred the above expenses as preliminary survey and investigation in determining the optimal water source alternative for Waukesha. The Commission has allowed preliminary survey and investigation costs to be amortized on a case-by-case basis for other municipal water utilities when the costs are incurred far in advance of project construction. Given the uncertainty of this project and the expected timeframe for project approval, Commission staff estimated that \$1,482,194 of the 2012 costs would be incurred prior to project approval. These 2012 costs were combined with the \$1,846,148 of costs incurred between 2009 and 2011 for a total cost of \$3,328,342 that is charged to Account 183. The amount recorded in Account 183 was amortized over a four-year period, beginning in 2012, and the amortized amount of \$832,086 per year was charged to Account 603, Miscellaneous Expenses.

As an intervener, CUB requested that the Commission withhold recovery of all costs associated with the applicant's pursuit of obtaining water from a Lake Michigan supplier until such a project has been reviewed and approved by the Department of Natural Resources, the Great Lakes Regional Body, and any other entities required to review such a proposal under the Great Lakes-St. Lawrence River Basin Water Resources Compact. CUB testified that it is premature for the applicant to recover any costs associated with a Lake Michigan diversion or

other future water supply options at this time, since the Commission has no way to assess the reasonableness of the applicant's pursuit of these alternatives in this case.

The Commission disagrees with CUB's position. The Commission finds it reasonable to accept Commission staff's proposal to amortize actual preliminary investigation costs incurred between 2009 and 2011 and those budgeted for 2012 as expenses in this case. These costs include a total of \$3,328,342 in Account 183 expenses which are to be amortized over a 4-year period beginning in 2012 and reported to Account 603.

Segregation of Costs Associated with the Lake Michigan Diversion from Other Future Water Supply Projects

CUB argued that the Commission should require the applicant to categorize current and future deferred costs for each water supply alternative project being pursued, rather than combining these costs under the generic future water supply study category the applicant currently uses. CUB asks the Commission to direct the applicant to begin immediately segregating costs associated with pursuit of particular projects, like the Lake Michigan diversion, from costs to investigate other water supply options.

The applicant contends that such a segregation of costs would create difficult classification issues because no clear line exists between the costs in planning for a Lake Michigan diversion option and other water supply options. The Lake Michigan diversion option is one of many water supply options being studied. Staff testified that the applicant's methodology was consistent with accepted utility practices and appears to be reasonable. The Commission agrees with the applicant that it is reasonable for the applicant to consider the costs related to pursuing a Lake Michigan diversion as part of its overall water supply planning efforts. Therefore, the

Commission will allow Waukesha to continue following its existing accounting practices for tracking expenses related to its long-term water supply planning.

Deferral Process for Large Water Utility Capital Expenditure Projects

CUB requested that the Commission examine its deferral and recovery process for large water utility capital expenditure projects. CUB contends that when a water utility is facing significant capital expenditures, the Commission should instruct the utility to seek a deferral at the outset and to categorize all costs as general investigatory, pre-certification in pursuit of each option, and pre-construction in pursuit of each option. Doing so would allow the Commission to examine the prudence of expenditures associated with pursuing each option in order to minimize the amount of ratepayer funds that are spent chasing imprudent options. The Commission considers its current deferral and recovery process for large water utility capital expenditure projects as reasonable and does not plan to open an investigation into these practices at this time.

Reduce the Applicant's Estimated Regulatory Commission Expenses

CUB states that the Commission should reduce the applicant's recovery for 2012 regulatory Commission expenses from \$85,000 to \$44,000 because Clean Wisconsin was not granted intervener compensation as part of this rate case proceeding. Commission staff adjusted the applicant's initial 2012 estimate of \$17,000 to \$85,000 in anticipation of intervener compensation funds being awarded in this case. Subsequent to the hearing in this case, the Commission requested that DNR provide the Commission with additional information related to the proposed costs of any agreements with potential Lake Michigan water suppliers. While not part of this rate case, it is expected that the Commission will incur additional costs associated with reviewing these materials that will also be billed to the applicant in 2012. Therefore, the

Commission accepts staff's proposed 2012 test year estimate in AC 928 expense of \$85,000 as reasonable.

Water Conservation Programs

In its rate case filing, the applicant requested a total of \$62,271 be included in rates for conservation spending. The applicant's conservation programs include: education and outreach, water audits, lawn watering restrictions, leak detection and water loss control, and rebates for water saving equipment. The Commission finds that these costs are reasonable.

Cost of Service

Commission staff submitted for the record an analysis of the cost of supplying water for general service and for public fire protection service. Commission staff used the base-extra capacity cost allocation method for the analysis. Under this method, the operating expenses are allocated first to the service cost functions of extra-capacity maximum-day and maximum-hour demand, base, customer, and fire protection and then to each of the customer classes served. Commission staff used the customer demand ratios from the previous water rate case to calculate the cost-of-service for each customer class in the present analysis. Summaries of such analyses, based on allocations that are reasonable and just, are shown in Schedules 8 and 11 of Exhibit Ex.-PSC-Kemna-1 of the record in this proceeding. Appendix B shows customer class revenue requirements resulting from the cost analysis compared with revenues at authorized rates.

The applicant's consultant testified that in future rate cases, the Commission should consider revising the applicant's customer class demand factors to reflect actual demand characteristics drawn from system billing data. The Commission is willing to consider

alternative techniques to calculate demand ratios if the applicant proposes such techniques and provides sufficient data to support the change as part of their next water rate case application.

Rates

Water service rates authorized in this decision will result in an estimated net operating income of approximately \$2,353,982 which provides a 5.75 percent return on the water utility net investment rate base of \$40,938,820. The applicant was provided with Commission staff's proposed rates for review prior to the hearing and had no objection to these rates.

As shown in attached Appendix B, the base-extra capacity cost allocation method results in a relatively wide range of increases in the charges to the various general service customer classes to reflect the cost of providing service to such classes. The percentage rate increase to any individual customer will not necessarily equal the overall percentage increase to the associated customer class, but will depend on the specific usage level of that customer.

A representative from Town and Country Resource Conservation and Development, Inc. appeared at the hearing expressing concern over the rate increase, while seven customers filed electronic comments opposing the rate increase. The Commission appreciates the customers' concern in this matter. However, the Commission finds that the revenue resulting from the authorized rates is necessary to provide for the financial needs of the utility over the long-term. The Commission further concludes that the rates as proposed by Commission staff would provide a reasonable and nondiscriminatory recovery of the revenue requirement. Accordingly, the Commission will hereby authorize staff's proposed rates as shown in Exhibit Ex.-PSC-Kemna-1 of the hearing record.

The authorized rates as set forth in Appendix C are based on the cost of supplying various classes or types of service. These rates are reasonable and just. All customers will be required to pay an appropriate amount for the service provided.

Some typical water bills for residential, commercial, industrial, and public authority customers were computed using Schedule Mg-1 to compare existing rates with the new rates. That comparison is set forth in Appendix D.

The overall increase in annual revenues is 27 percent, comprised of a 26 percent increase in general service charges and a 29 percent increase in fire protection charges. A typical residential customer's bill will rise 21 percent. Rates have risen because of a 7 percent increase in gross plant investment and a 33 percent increase in operating expenses since the applicant's last rate case in 2009. The typical bills calculated using the authorized rates are above average when compared with those of similar water utilities in the state.

The authorized general service rates provide a greater percentage increase to large-volume users than for average residential customers. This greater increase is caused by the relatively larger increases in the rates for the high-volume rate blocks based on the results of the base-extra capacity cost allocation as discussed above. The greater increase to large-volume users is reasonable in that the authorized rates more appropriately reflect the cost of providing service than do the present rates.

The applicant uses non-standard tariff provisions (operating rules and main extension rules). In the next water rate case, the Commission intends to investigate whether the applicant should be allowed to retain these provisions, or whether the applicant should adopt standard tariff provisions that are consistent with those of other Wisconsin water utilities. In anticipation

of this investigation, the applicant shall compare its tariff provisions with the Commission's standard language to determine whether the non-standard tariff provisions are necessary.

Effective Date

The test year commenced on January 1, 2012. Pursuant to Wis. Stat. §§ 196.19 and 196.21, the changes in rates and tariff provisions that are authorized in this Final Decision take effect no sooner than one day after the date of mailing, provided that these rates and tariff provisions are filed with the Commission and placed in all offices and pay stations of the utility.

Order

- 1. This Final Decision takes effect one day after the mailing date.
- 2. The applicant shall record an annual conservation accrual amount of \$62,217 for authorized expenditures. The amortization shall begin with the effective date of this Final Decision. The applicant shall continue to record this amount until the Commission authorizes a new amount for water conservation spending.
- 3. The applicant shall review its operating rules and main extension rules. As part of the application in its next water rate case, the application shall provide the Commission with a detailed description of how the applicant's current tariff provisions differ from the standard tariff provisions, and why these differences are necessary.
- 4. The authorized rate increases and tariff provisions shall take effect no sooner than one day after the utility files these rates and tariff provisions with the Commission and places them in all of the utility's offices and pay stations.

- 5. The rates approved in this docket are to be made effective no later than 90 days from the mailing date of this Final Decision or as directed by the Commission or Commission staff.
- City of Waukesha Water Utility shall inform each customer of the new rates as 6. required by Wis. Admin. Code § PSC 185.33(1).

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Dated at Madison, Wisconsin,

For the Commission:

Division of Water, Compliance, and Consumer Affairs

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See attached Notice of Appeal Rights

PUBLIC SERVICE COMMISSION OF WISCONSIN 610 North Whitney Way P.O. Box 7854 Madison, Wisconsin 53707-7854

NOTICE OF RIGHTS FOR REHEARING OR JUDICIAL REVIEW, THE TIMES ALLOWED FOR EACH, AND THE IDENTIFICATION OF THE PARTY TO BE NAMED AS RESPONDENT

The following notice is served on you as part of the Commission's written decision. This general notice is for the purpose of ensuring compliance with Wis. Stat. § 227.48(2), and does not constitute a conclusion or admission that any particular party or person is necessarily aggrieved or that any particular decision or order is final or judicially reviewable.

PETITION FOR REHEARING

If this decision is an order following a contested case proceeding as defined in Wis. Stat. § 227.01(3), a person aggrieved by the decision has a right to petition the Commission for rehearing within 20 days of mailing of this decision, as provided in Wis. Stat. § 227.49. The mailing date is shown on the first page. If there is no date on the first page, the date of mailing is shown immediately above the signature line. The petition for rehearing must be filed with the Public Service Commission of Wisconsin and served on the parties. An appeal of this decision may also be taken directly to circuit court through the filing of a petition for judicial review. It is not necessary to first petition for rehearing.

PETITION FOR JUDICIAL REVIEW

A person aggrieved by this decision has a right to petition for judicial review as provided in Wis. Stat. § 227.53. In a contested case, the petition must be filed in circuit court and served upon the Public Service Commission of Wisconsin within 30 days of mailing of this decision if there has been no petition for rehearing. If a timely petition for rehearing has been filed, the petition for judicial review must be filed within 30 days of mailing of the order finally disposing of the petition for rehearing, or within 30 days after the final disposition of the petition for rehearing by operation of law pursuant to Wis. Stat. § 227.49(5), whichever is sooner. If an *untimely* petition for rehearing is filed, the 30-day period to petition for judicial review commences the date the Commission mailed its original decision. The Public Service Commission of Wisconsin must be named as respondent in the petition for judicial review.

If this decision is an order denying rehearing, a person aggrieved who wishes to appeal must seek judicial review rather than rehearing. A second petition for rehearing is not permitted.

Revised: December 17, 2008

¹ See State v. Currier, 2006 WI App 12, 288 Wis. 2d 693, 709 N.W.2d 520.

APPENDIX A (CONTESTED)

In order to comply with Wis. Stat. §§ 227.47, the following parties who appeared before the agency are considered parties for the purposes of review under Wis. Stat. 227.53.

CITY OF WAUKESHA WATER UTILITY (applicant), by:

Lawrie Kobza, Attorney
Boardman, Suhr, Curry, and Field
P.O. Box 927
Madison, WI 53701
(608) 283-1788

Email: <u>lkobza@boardmanlawfirm.com</u>

CITIZENS UTILITY BOARD OF WISCONSIN, INC., by:

Kira Loehr, Attorney Citizens Utility Board of Wisconsin, Inc. 16 N. Carroll Street, Suite 640 Madison, WI 53703 (608) 251-3322 ext. 12 Email: loehr@wiscub.org

CLEAN WISCONSIN

Elizabeth Wheeler, Attorney Clean Wisconsin 634 W. Main Street, Suite 300 Madison, WI 53703 (608) 251-7020 ext. 21 Email: ewheeler@cleanwisconsin.org

FOR THE COMMISSION:

David Albino, Assistant General Counsel Office of General Counsel

OF THE COMMISSION STAFF:

Bridgot, Gysbers, Public Utility Auditor Stephen Kemna, Rate Analyst In Support:

Lori Sweet, Executive Administrative Assistant

As Interest May Appear:

Lisa Conley, Town and Country Resource Conservation and Development, Inc.

CITY OF WAUKESHA WATER UTILITY

Comparison of Revenue

at

Present Rates, Cost of Service and Authorized Rates

		Cost of S	e rvice	Authorized Rates					
Customer Class	Revenue at Present Rates	Revenue Required	Increase over Present Rates	Revenue	Increase over Present Rates	Percent of Cost of Service			
Residential - Single Family	\$3,499,424	\$4,239,985	21%	\$4,232,887	21%	100%			
Residential - Duplex	\$469,362	\$601,861	28%	\$599,079	28%	100%			
Residential - Triplex	\$28,171	\$36,830	31%	\$36,852	31%	100%			
Commercial	\$2,226,351	\$2,897,054	30%	\$2,916,755	31%	101%			
Industrial	\$759,897	\$1,035,203	36%	\$1,034,606	36%	100%			
Public Authority	\$262,074	\$353,307	35%	\$346,697	32%	98%			
Public Fire Protection	\$1,314,691	\$1,689,366	28%	\$1,689,746	29%	100%			
Total	\$8,559,970	\$10,853,606	27%	\$10,856,622	27%	100%			

CITY OF WAUKESHA WATER UTILITY

Authorized Water Rates and Rules

Public Fire Protection Service - - - F-1

Public fire protection service includes the use of hydrants for fire protection service only and such quantities of water as may be demanded for the purpose of extinguishing fires within the service area. This service shall also include water used for testing equipment and training personnel. For all other purposes, the metered or other rates set forth, or as may be filed with the Public Service Commission, shall apply.

Under Wis. Stat. § 196.03(3)(b), the municipality has chosen to have the utility bill the retail general service customers for public fire protection service.

Public Fire Protection Service Charges:

	Monthly	Quarterly		Monthly	Quarterly
5/8 -inch meter - \$	5.47	16.41	3 -inch meter - \$	82.00	246.00
3/4 -inch meter - \$	5.47	16.41	4 -inch meter - \$	137.00	411.00
1 -inch meter - \$	13.70	41.10	6 -inch meter - \$	273.00	819.00
11/4 -inch meter - \$	20.00	60.00	8 -inch meter - \$	437.00	1,311.00
$1\frac{1}{2}$ -inch meter - \$	27.00	81.00	10 -inch meter - \$	656.00	1,968.00
2 -inch meter - \$	44.00	132.00	12 -inch meter - \$	875.00	2,625.00

Customers who are provided service under Schedules Mg-1, Ug-1, or Sg-1 shall be subject to the charges in this schedule according to the size of their primary meter.

Billing: Same as Schedule Mg-1.

Public Fire Protection Service - - - Fd-1

Delete.

Private Fire Protection Service - Unmetered - - - Upf-1

This service shall consist of permanent or continuous unmetered connections to the main for the purpose of supplying water to private fire protection systems such as automatic sprinkler systems, standpipes, and private hydrants. This service shall also include reasonable quantities of water used for testing check valves and other backflow prevention devices.

Private Fire Protection Service Demand Charges:

	<u>Monthly</u>	Quarterly
2 - inch or smaller connection - \$	4.10	12.30
3 - inch connection - \$	7.70	23.10
4 - inch connection - \$	13.00	39.00
6 - inch connection - \$	26.00	78.00
8 - inch connection - \$	41.00	123.00
10 - inch connection - \$	62.00	186.00
12 - inch connection - \$	82.00	246.00
14 - inch connection - \$	103.00	309.00
16 - inch connection - \$	123.00	369.00

Billing: Same as Schedule Mg-1.

General Service - Metered - - - Mg-1

Service Charges (All Customer Classes):

	Monthly	Quarterly		Monthly	Quarterly
5/8 -inch meter - \$	7.80	23.40	3 -inch meter - \$	57.00	171.00
$\frac{3}{4}$ -inch meter - \$	7.80	23.40	4 -inch meter - \$	78.00	234.00
1 -inch meter - \$	13.40	40.20	6 -inch meter - \$	127.00	381.00
$1\frac{1}{4}$ -inch meter - \$	19.00	57.00	8 -inch meter - \$	193.00	579.00
$1\frac{1}{2}$ -inch meter - \$	22.00	66.00	10 -inch meter - \$	278.00	834.00
2 -inch meter - \$	34.00	102.00	12 -inch meter - \$	364.00	1,092.00

Plus Volume Charges:

Residential Customers - Single Family:

First	3,333	gallons used monthly or
	10,000	gallons used quarterly - \$2.85 per 1,000 gallons
Next	6,667	gallons used monthly or
	20,000	gallons used quarterly - \$3.70 per 1,000 gallons
Over	10,000	gallons used monthly or
	30,000	gallons used quarterly - \$4.75 per 1,000 gallons

Residential Customers - Duplex:

First	6,667	gallons used monthly or
	20,000	gallons used quarterly - \$2.92 per 1,000 gallons
Next	5,000	gallons used monthly or
	15,000	gallons used quarterly - \$3.77 per 1,000 gallons
Over	11,667	gallons used monthly or
	35,000	gallons used quarterly - \$4.82 per 1,000 gallons

Residential Customers - Triplex:

First	6,667	gallons used monthly or
	20,000	gallons used quarterly - \$2.94 per 1,000 gallons
Next	13,333	gallons used monthly or
	40,000	gallons used quarterly - \$3.80 per 1,000 gallons
Over	20,000	gallons used monthly or
,	60,000	gallons used quarterly - \$4.88 per 1,000 gallons

Nonresidential Customers:

First	25,000	gallons used monthly or
	75,000	gallons used quarterly - \$3.29 per 1,000 gallons
Next	475,000	gallons used monthly or
	1,425,000	gallons used quarterly - \$3.12 per 1,000 gallons
Over	500,000	gallons used monthly or
	1,500,000	gallons used quarterly - \$2.80 per 1,000 gallons

Residential Class – Single Family includes customers who have water service provided for residential or domestic purposes, and sales are through a single meter with only one dwelling unit. Sales through a single meter to buildings with four or more dwelling units are classified as commercial.

Residential Class – Duplex includes customers who have water service provided for residential or domestic purposes, and sales are through a single meter for buildings with two dwelling units.

Residential Class – Triplex includes customers who have water service provided for residential or domestic purposes, and sales are through a single meter for buildings with three dwelling units.

Nonresidential Class includes commercial, industrial, and public authority customers. Commercial customers include business entities and institutions, except governmental entities, that provide goods or services. Sales through a single meter to buildings with four or more dwelling units are classified as commercial. Churches and parochial schools are not

governmental and are classified as commercial. Industrial customers include customers who are engaged in the manufacture or production of goods. Public Authority customers include any department, agency, or entity of local, state, or federal government, including public schools, colleges, and universities.

Billing: Bills for water service are rendered quarterly and become due and payable upon issuance following the period for which service is rendered. A late payment charge of 1 percent per month will be added to bills not paid within 20 days of issuance. This late payment charge shall be applied to the total unpaid balance for utility service, including unpaid late payment charges. This late payment charge is applicable to all customers. The utility customer may be given a written notice that the bill is overdue no sooner than 20 days after the bill is issued. Unless payment or satisfactory arrangement for payment is made within the next 10 days, service may be disconnected pursuant to Wis. Admin. Code ch. PSC 185.

Combined Metering: For residential customers, volumetric readings from all meters on a single service lateral shall be combined for billing. For nonresidential customers, volumetric readings may be combined for billing if the utility for its own convenience places more than one meter on a single water service lateral. Multiple meters placed for the purpose of identifying water that is not discharged into the sanitary sewer are not considered for utility convenience and may not be combined for billing nonresidential customers. This requirement does not preclude the utility from combining readings where metering configurations support such an approach. Volumetric readings from individually metered separate service laterals may not be combined for billing purposes.

Other Charges - - - OC-1

<u>Non-Sufficient Funds Charge</u>: The utility shall assess a \$30.00 charge when a payment rendered for utility service is returned for non-sufficient funds. This charge may not be in addition to, but may be inclusive of, other non-sufficient funds charges when the payment was for multiple services.

<u>Special Meter Reading Charge</u>: The utility shall assess a \$15.00 charge to the requestor whenever an existing customer or the property owner requests a special meter reading by utility personnel on a date other than the regularly scheduled meter reading. This charge may not be assessed if the customer or the property owner provides the meter reading. This charge may not be assessed to a new customer.

Missed Appointment Charge: The utility shall assess a missed appointment charge if a customer schedules an appointment with utility personnel at the customer's location and, without providing reasonable cancellation notice to the utility, fails to be present. The utility may not charge for the first missed appointment during normal business hours but may apply the charge to subsequent missed appointments. The utility shall apply the charge for the first missed appointment after normal business hours.

During normal business hours:

\$30.00

After normal business hours:

\$50.00

<u>Real Estate Closing Account Charge</u>: The utility shall assess a \$15.00 charge whenever a customer or the customer's agent requests written documentation from the utility of the customer's account status in connection with a real estate closing.

Billing: Same as Schedule Mg-1.

Public Service - - - Mpa-1

Metered Service

Water used by the City of Waukesha on an intermittent basis for flushing sewers, street washing, flooding skating rinks, drinking fountains, etc., shall be metered and billed according to the rates set forth in Schedule Mg-1 for nonresidential customers.

Unmetered Service

Where it is impossible to meter the service, the utility shall estimate the volume of water used based on the pressure, size of opening, and the period of time the water is used. The estimated quantity shall be billed at the volumetric rates set forth in Schedule Mg-1 for nonresidential customers, excluding any service charges.

Billing: Same as Schedule Mg-1.

General Water Service - Unmetered - - - Ug-1

Service may be supplied temporarily on an unmetered basis where the utility cannot immediately install a water meter, including water used for construction. Unmetered service shall be billed the amount that would be charged to a metered residential customer using 14,000 gallons of water per quarter under Schedule Mg-1, including the service charge for a %-inch meter. If the utility determines that actual usage exceeds 14,000 gallons of water per quarter, an additional charge for the estimated excess usage shall be made according to the rates under Schedule Mg-1.

This schedule applies only to customers with a 1-inch or smaller service connection. For customers with a larger service connection, the utility shall install a temporary meter and charges shall be based on the rates set forth under Schedule Mg-1.

Billing: Same as Schedule Mg-1.

Seasonal, Emergency, or Temporary Service - - - Mgt-1

Delete.

Seasonal Service - - - Sg-1

Seasonal customers are general service customers who voluntarily request disconnection of water service and who resume service at the same location within 12 months of the disconnection, unless service has been provided to another customer at that location in the intervening period. The utility shall bill seasonal customers the applicable service charges under Schedule Mg-1 year-round, including the period of temporary disconnection.

Seasonal service shall include customers taking service under Schedule Mg-1 or Schedule Ug-1.

Upon reconnection, the utility shall apply a charge under Schedule R-1 and require payment of any unpaid charges under this schedule.

<u>Billing</u>: Same as Schedule Mg-1, unless the utility and customer agree to an alternative payment schedule for the period of voluntary disconnection.

Building and Construction Water Service - - - Mz-1

Delete.

Bulk Water - - - BW-1

All bulk water supplied from the water system through hydrants or other connections shall be metered or estimated by the utility. Utility personnel or a party approved by the utility shall supervise the delivery of water.

Bulk water sales are:

- A. Water supplied by tank trucks or from hydrants for the purpose of extinguishing fires outside the utility's service area;
- B. Water supplied by tank trucks or from hydrants for purposes other than extinguishing fires, such as water used for irrigation or filling swimming pools; or,

C. Water supplied from hydrants or other temporary connections for general service type applications, except that Schedule Ug-1 applies for water supplied for construction purposes.

A service charge of \$50.00 and a charge for the volume of water used shall be billed to the party using the water. The volumetric charge shall be calculated using the highest volumetric rate for residential customers under Schedule Mg-1. In addition, for meters that are assigned to bulk water customers for more than 7 days, the applicable service charge in Schedule Mg-1 will apply after the first 7 days.

The water utility may require a reasonable deposit for the temporary use of its equipment under this and other rate schedules. The deposit(s) collected shall be refunded upon return of the utility's equipment. Damaged or lost equipment shall be repaired or replaced at the customer's expense.

Billing: Same as Schedule Mg-1.

Automatic Meter Reading - - - AMR-1

1. Water Audit with AMR

a. Leak Detection

No Charge

for residential customers only (including single family, duplex, or triplex)

b. Additional Readings

No Charge

2. Special Reading

No Charge

Manual Meter Reading Service Charge

1. Manual reading because of refusal of AMR service

See Schedule OC-1

Special Meter Reading charge

Reconnection Charges - - - R-1

The utility shall assess a charge to reconnect a customer, which includes reinstalling a meter and turning on the valve at the curb stop, if necessary. A utility may not assess a charge for disconnecting a customer.

During normal business hours:

\$50.00

After normal business hours:

\$80.00

Billing: Same as Schedule Mg-1.

Lateral Administration Connection Charge - - - Cz-1

A lateral connection fee shall be payable in advance to the Utility system. It shall consist of the average cost of processing, evaluating, inspecting, approving, creating or storing as built descriptions and all other administrative costs related to the application and connection of new service laterals. Where a stub has been previously installed, the fee shall be applied to the property side of the lateral.

The fee shall be based upon actual costs during the preceding year averaged for the number of laterals installed and updated for changes in current year's costs.

Lateral Installation Charge - - - Cz-2

All properties located in the City of Waukesha and those which are added to the water service area as further described in Municipal Code Section 3.02 (13) are eligible to connect to the water system.

With the exception of water main taps, the customer may install any portion of the water lateral piping by using an approved licensed plumbing contractor and shall use materials that conform to Utility specifications, standard specifications for sewer and water construction in Wisconsin, and Wisconsin Administrative Code NR 811.62 and SPS 382 to 387. The Utility or its representative will make all water main taps on Utility owned water mains within the distribution system and inspect all street lateral installations. All costs for the tap will be borne by the applicant/owner and will be billed in accordance with the established rates based on time and materials. Payment for tapping service is required prior to any work being started.

Subdivision developers shall be responsible, where the main extension has been approved by the utility, for the water service lateral installation costs from the water main tap through the curb stop and box.

If a property owner requests that a street service lateral be installed by a City of Waukesha approved contractor, all work shall be done in accordance with the Waukesha Water Utility Standard Specifications for the installation of water main and appurtenances. A Waukesha Water Utility inspector must be present during installation, and the property owner is responsible for paying an inspection fee, and tapping fee at the time of application.

Waukesha Water Utility will make no connections to the property owner's service lateral. Connection will be made by the property owner's plumber.

<u>Extraordinary Cost</u>: Extraordinary costs for lateral replacements of any size shall be the responsibility of the customer. The following are considered extraordinary costs.

- 1. Rock excavation including removal of rock, footings, or other major obstructions.
- 2. Special backfill including removal and/or replacement of unstable soils.
- 3. Dewatering including removal of ground water.
- 4. Pavement replacement including backfill and restoration.

The Utility shall own, operate and maintain those portions of laterals from the water main up to and including the curb stop and curb box assembly. The Utility shall also furnish, own, operate and maintain the primary water meter. The customer shall own, operate and maintain all other portions of the lateral.

All other rules governing installation of water laterals apply.

Hydrant Charges - - - H-1

In cases where no other supply is available, hydrants may be used. The following charges shall apply.

No hydrant shall be used until it is equipped with a meter modified for this purpose. A minimum daily rental of \$8 per day shall be charged for the use of a 3-inch meter, and a daily rental of \$3 per day shall be charged for a 5/8, 3/4, or 1-inch meter. A deposit shall be required for the water used, hydrant, hydrant wrench and meter with fittings according to the size of the meter as follows:

%-inch meter - \$375.00

3/4-inch meter - \$375.00

1-inch meter - \$375.00

3-inch meter - \$375.00

An additional deposit shall be required for backflow preventers as needed: RPZ Backflow Preventer \$500.00. There is a minimum charge for water usage of \$15.00 per meter taken out. The utility shall record the meter number, size and reading. The contractor or his authorized agent shall state the location where the meter is to be used, the contractor's name and address, and make the proper deposit. He shall sign a form provided at the utility office which will constitute a contract for all water used and embody these rules and regulations as part of the same.

The meter and fittings as a unit shall be removed from the hydrant at the end of each working day and the hydrant properly closed and left until the next morning at beginning of work. If it becomes necessary to use the hydrant for fire any time while the meter is attached thereto, the contractor must close the hydrant and remove the meter and fitting as a unit. The meter shall be protected from damage at all times.

The volume charges for water shall be computed from the volume rates in effect at the time of use on a monthly or quarterly charge basis at the discretion of the utility.

Since the construction often covers a considerable interval of time the utility may place the deposits in a bank with its other funds until such time as it is to be refunded.

Water Utility Operating Rules - - - X-1

1.00 RULES AND REGULATIONS

1.01 Compliance with Rules

All persons now receiving a water supply from the Waukesha Water Utility (Utility) or who may hereafter make application therefore, shall be considered as having agreed to be bound by these rules and regulations as filed and approved by the Wisconsin Public Service Commission.

1.02 Application for Service

A customer desiring service must make application to the Utility before commencing use of the utility's service. The Utility reserves the right to require a signed application for the service to be furnished. Application for and receipt of service shall constitute the receiver a customer of the Utility subject to its rates, rules and regulations. Applications for service shall be made in the legal name of the party to be obligated to pay for the service.

Subject to its rates, rules and regulations, the Utility will continue to supply service until ordered to discontinue, and the customer will be responsible for payment of all service furnished until discontinued.

1.03 Meter Reading Periods

Water meters will be read as regularly as possible for the intervals stated in Schedule Mg-1, using automated reading technology. If a reading cannot be obtained, a meter reading form (self-addressed postal card) will be sent. If it is not returned in time for the billing operation, an estimated bill shall be rendered. However, not more than three consecutive estimated quarterly bills or three consecutive estimated monthly bills shall be rendered. The customer will be notified by letter if attempts to contact the customer fail, and unless arrangements are made to enable the Utility to procure a reading by a specified date, service will be discontinued until such arrangements are made or a reading has been obtained.

1.04 Failure to Read Meter

Where the Utility is unable to read a meter the fact shall be plainly indicated on the bill. The difference between estimated and actual shall be adjusted when the meter is again read, and if necessary, the bill for the succeeding billing period will be computed with the gallons in each block of the rate schedule doubled and credit will be given on that bill for the amount of the bill paid the preceding period. Only in unusual cases or when approval is obtained from the customer, shall more than three consecutive estimated bills be rendered where bills are issued monthly. There shall not be more than two consecutive estimated bills where the billing period is two months or more.

1.05 <u>Late Payment Charge</u>

Every reasonable care will be exercised in the mailing of water bills. Failure to receive a water bill will not excuse any person of the responsibility for the payment of a bill within the prescribed period, nor from any late payment charge imposed for delinquency in the payment thereof. If there is reason to believe that the Utility did not properly issue the bill, and if the customer does not have a history of late payment then the Utility may excuse the late charge for the applicable period.

1.06 Seasonal Service

The minimum service period shall be one year unless otherwise specified by special agreement or in the applicable rate schedule. Where the Utility has disconnected service at the customer's request prior to expiration of the minimum service period, a reconnection charge shall be made, payable in advance, when the customer requests reconnection of service (see Schedule R-l for applicable rate). The minimum service period is renewed with each reconnection.

A reconnection charge shall also be required from consumers whose services are disconnected (shut off at curb stop box) because of nonpayment of bills. This charge does not apply to disconnection for failure to comply with deposit or guarantee rules (see Schedule R-1 for applicable rate).

A customer shall be considered as the same customer provided the reconnection is requested for the same location by any member of the same household, or if a place of business, by any partner of the same business.

1.07 Collection of Past Due Bills

An amount owed by the customer shall be levied as a tax as provided in Section 66.069 Wisconsin Statutes.

1.08 Special Billing Provisions

a. **Final Bill** - Special readings may be taken when a new customer takes over service from someone else. The person making the request for a special reading shall furnish the Utility with the name and billing address of the customer to whom the special reading bill is to be sent, the owner's name and address, and the date the meter is to be read. A minimum of 24 hours of notice must be given during normal Utility duty hours, and arrangements made to have the meter accessible.

The rates charged for special readings shall be the following schedule:

10 days to 1 mo. 10 days

- 1 mo. Service charge plus excess gals. at prevailing rate.

1 mo. 11 days to 2 mos. 10 days

- 2 mos. service charge plus excess gals. at prevailing rate.

2 mos. 11 days to 3 mos. 10 days

- 3 mos. service charge plus excess gals. at prevailing rate.

- b. **Bill Proration** When a new customer takes over service from someone else and the Utility is not informed of the change, or is unable to obtain a meter reading at the scheduled time, the billing for the entire period will be apportioned between the two parties on the basis of the average daily rate during the current reading period prorated through the date the change took place.
- c. **Informal Agreement Among Customers** Settlement of water bills by informal agreement between customers will be acceptable. However, if the bill is disputed, the Utility will prorate the bill on the basis of daily consumption determined by dividing the total consumption by the number of days covered in the billing period.
- d. **Meter Failure and Water Run** The regular service charge shall apply as long as the meter remains in the building.

If the meter is damaged (See Surreptitious Use of Water), fails to operate, or where water is run by Utility consent to prevent freezing of the service lateral, the bill will be based on the average use during the past year.

The Utility will, upon request of the owner or his authorized agent, remove the meter and turn off the water. The service provided prior to the turnoff date will be billed according to the special reading schedule.

- e. **Estimated Bills** The Utility may estimate bills when meter readings are not obtained based upon criteria outlined in administrative code PSC185.33. Such estimates must be reconciled annually to actual readings. Customers receiving estimated bills shall agree to exempt the Utility from responsibility from losses due to leaks.
- f. **Provisions for Leaks** Special provisions may be made to reduce the bill to Utility cost for water lost due to leaks if the following conditions are met:
 - 1. The customer acknowledges the presence of a leak;
 - 2. The Utility has identified and determined that the leaks have been repaired:
 - 3. The customer agrees to pay the balance due.

1.09 To Discontinue Use of Water

To discontinue the supply of water to a property or unit of service, notice must be given to the water Utility office and arrangements made to have the premises accessible during duty hours for the removal of the meter by Utility personnel. The water will be turned off at the outside stop and the meter removed. If the building is to be razed, the Utility shall be so notified so the meter and meter setting unit may be removed. The owner of the premises shall be responsible for the protection of the meter from damage of any kind. A bill for the water used prior to discontinuance of water supply will be rendered in accordance with the rates and regulations governing Special Readings except that the Special Meter Reading Fee will not be charged.

1.10 Surreptitious Use of Water

The Utility will take appropriate steps to prevent the unauthorized and unpaid use of water from any location in the system and will use all available means to estimate the loss, secure payment and apply legal protection or penalties. (See Wisconsin Statutes 941.36).

Where the Utility has found evidence of fraud or deception, or where there has been indication of negligent interference, the Utility will pursue collection for unbilled service beyond two years, to the beginning of the practice. (See Wisconsin Statutes 196.635).

The Utility reserves the right to estimate and present a bill for un-metered service immediately. Such bill shall be payable immediately, and subject to disconnection of service 24 to 48 hours after bill presentation.

1.11 Installation of Meters

a. The Utility shall own, install and maintain all meters and remote devises used for billing water utility service.

Utility owned meters shall not to be disconnected or interfered with by the customer.

The meter shall be located so that it will be safe from both heat and cold or other source of damage, preserved from obstructions, or any fixture or fixtures which might

retard access for reading, removal, or observation. The location shall be designated by authorized water Utility personnel.

In no case shall a meter be installed where the total clearance space provided is less than four (4) feet. All meter settings shall be as specified on the standard drawings and specifications of the Utility.

b. Multiple Meters

The Utility will consider multiple meters on new and existing laterals where complete separation of billing services is warranted by customer's use, and where Utility requirements for safety, security and access are met.

A customer may apply for a change in the meter location. The utility shall charge the customer for the labor required to move the meter to the new location provided by the customer.

c. Customer Owned Meter

If additional meters are desired by the customer, such meters must be installed, read and maintained by the property owner. The Utility shall not be responsible for any division of a bill resulting from readings of the privately owned meters by the parties involved.

1.12 Protective Devices

The owner or occupant of every premise receiving water supply shall apply and maintain suitable means of protection of the premise supply, and all appliances thereof, against damage arising in any manner from the use of the supply, variation of water pressure, or any interruption of water supply.

1.13 Cross Connections

Every person owning or occupying a property served by the Utility shall keep the utility water supply free from any contamination or cross-connection between Utility and non-utility system, according to City Ordinance 3.025.

1.14 No Claim for Damages

No person shall enter a claim for damage against the City of Waukesha as a Water Utility or any officer thereof, for damage to any pipe, fixture, appurtenance, or to laundry by reason of interrupted water supply, variation of pressure or temperature, discolored water, or for damage of any nature whatsoever caused by water system operation. Water system operation includes turning the water supply off, or on wholly or partially, for the extension, alteration, repair of water main or premises supply, or for the disconnection of the premises water supply for the violation of any rule or regulation of the Utility. No claims will be allowed against the Utility as a result of the interruption of the water supply caused by the breaking of pipes or machinery, by stoppage for repairs, or as a result of fire or any other emergency.

1.15 <u>Inspection of Premises</u>

Any officer or authorized employee of the Utility shall have the right of access during reasonable hours to the premises supplied with this service, for the purpose of inspection, maintenance, or for the enforcement of the Utility's rules and regulations. All Utility personnel shall have proper identification cards. The Utility shall provide notice to the customer including identification of the utility personnel and their reason for requiring access.

1.16 Penalty for Refusing Entry to Premises

If a customer denies access to an authorized agent of the Utility after providing proper notice, the Utility may disconnect service until access has been granted. (See also Wisconsin Statutes 196.171).

1.17 <u>Inspection of Plumbing</u>

The Utility may make inspections of internal plumbing and fixtures for the purpose of meeting conservation, health and safety concerns.

1.18 Isolation Valves

The customer shall have isolation valves installed in their piping above and below the customer owned copperhorn.

1.19 Meter Repairs

All meters shall be tested at such intervals required by Wisconsin Administrative Code. A record shall be kept of all meters, noting all repairs and inspections made and results of all tests. Water service shall be disconnected by the Utility if the customer refuses entry for inspection, repair, or replacement. The Utility shall bill the customer if the meter is damaged beyond repair for the full cost of replacement plus the accrued depreciation of the old meter.

Any damage to a meter resulting from the carelessness of the owner of the premises, their agent or tenant, or from the negligence of anyone of them to properly secure and protect it, including any damage that may result from allowing a water meter to become frozen or to be damaged the presence of hot water or steam, shall be repaired by the Utility. The cost of the repair shall be paid by the customer or owner.

1.20 Repairs to Laterals

The Utility shall maintain the street portion of the service pipe and fittings up to and including the curb stop. The cost of such repairs caused by ordinary wear and tear will be borne by the Utility. Maintenance and repair of meter pits and vaults will be the responsibility of the customer. Operation and maintenance of facilities and appurtenances beyond the curb stop except the meter are the customer's responsibility.

1.21 Replacement of Water Lateral

A lateral from the main to the curb stop will be replaced at the expense of the Utility when the Utility determines that the existing lateral is defective and/or in need of replacement, or if it is proved that the existing lateral is of inadequate size for the purpose for which it was originally installed. The lateral beyond the curb stop shall be the responsibility of the customer.

Where an old building is torn down and a new one constructed on the same property, if a new service is to be installed, the rules and regulations governing new water service installations shall apply, including the connection charge (see Schedule Cz-1).

If a new or greater water use or installation of multiple meters make the existing lateral to an existing building inadequate, the cost of the new lateral from the main to the curb box shall be paid by the customer (see Schedule Cz-1). The rates shall apply less the accrued depreciation of the old lateral, to be paid by the customer. (See Waukesha Water Utility Procedure 401.8).

1.22 Penalty for Infraction of Rules

Failure to comply with Utility Rules and Regulations, or written notification of violation of regulations shall result in disconnection of water service. Violations of rules and regulations that endanger the public health, safety, and welfare will result in immediate disconnection of service.

Water service will be restored only when satisfactory compliance with Utility Rules and Regulations has been made and any necessary charges have been paid.

1.23 Curb Boxes

The property owner shall protect the curb box and shall keep it free from dirt and other obstructions. She/he shall immediately report to the Utility any damage. Curb box damaged by external means shall be repaired by the Utility and the cost of the repair shall be paid by the property owner. The Utility shall not be held liable for its failure to locate or use a curb box and shut off water in case of a failure on the customer's premises.

1.24 Repairs to Mains

The Utility reserves the right to turn off the water in the mains temporarily, to make repairs, alterations or additions to the plant or system. When the circumstances permit, the Utility will give notification of the discontinuance of the supply. No rebate or damages will be allowed to customers for such temporary suspension of supply.

1.25 Damage to Laterals

Any person making excavations shall ascertain the existence and location of all water pipes. Any damage to water pipes or appurtenances must be reported to the Utility. The Utility will make the necessary repairs to Utility property only and bill the cost to those responsible. If payment is not received the unpaid charges shall become a lien against the property which it serves.

1.26 Right to Open Hydrants

Only persons authorized by the Utility or the Fire Department shall be permitted to open fire hydrants.

1.27 Operation of Valves and Hydrants, and Unauthorized Use of Water - Penalty

Any unauthorized person who operates a valve connected with the street or supply mains, a fire hydrant connected with the distribution system, except for the purpose of extinguishing fire, or who damages or impairs any portion of the system shall be subject to a fine as provided by municipal ordinance or state statute. Permits for the use of hydrants apply only to the hydrants designated for the specific use.

1.28 Relocation of Hydrants

Anyone requesting the relocation of a hydrant shall bear the cost of the moving, including the cost of materials and labor.

1.29 Plumbing and Wisconsin Administrative Codes

The Utility has adopted by reference the WI Plumbing Code and any applicable Wisconsin Administrative Codes, which apply to its operation and activities.

2.00 WATER LATERAL

2.01 Application for Lateral

The Utility shall require that an application for a lateral be completed on the Utility's approved form by the owner of the property to be serviced or by the owner's authorized agent. The signed application shall constitute a contract which includes all rules and regulations on file with the Wisconsin Public Service Commission. This application shall be approved by the General Manager or designated representative of the Utility as a prior condition to construction, extension or alteration of any connection to the water distribution system. Any application may be rejected and construction or connection be delayed if the forms are not fully and adequately completed in accordance with rules and procedures.

An acceptable application must meet the following criteria:

- a. Contain the recorded legal description of the property, and the official building address.
- b. Be accompanied by a completed Utility fixture count sheet and a plat of survey which contains the first floor elevation.
- c. Copy of State approved, stamped plumbing plans and a completed water calculation worksheet for commercial, industrial or manufacturing buildings.

2.02 Cost to Customer

A lateral administrative connection charge shall be paid for each application submitted at the time of submitting the application. This fee shall cover the costs of processing, evaluating, inspecting, approving, creating or storing as built descriptions, and all other administrative costs related to application and connection of new service laterals. A meter setting fee will be charged for the installation of piping, fittings, and valves necessary for proper installation of the meter. Where a stub has been installed, the application fee shall apply to the application for the property side of the lateral (see Schedule Cz-1).

2.03 <u>Conditions</u>

The following conditions apply to all applicants.

- a. Construction must meet utility standards and provide for documentation of costs.
- b. The property shall have frontage on a dedicated street or public service strip which contains a utility owned water main; or must have an officially recorded easement to the main.
- c. The property shall be located within the City of Waukesha or an officially designated water service area.
- d. The applicant must file with the Utility a statement of the actual installed cost of the lateral or any portion. and as built diagram showing the location and materials used.

2.04 Lateral Installation

The customer shall install all portions of a lateral except the meter by using a licensed plumbing contractor, and shall use materials that are in conformance with Wisconsin Administrative Codes and Utility specification.

2.05 Lateral Ownership

The Utility shall own, operate, and maintain those portions of all laterals from the water main up to and including the curb stop (property line on large laterals). The Utility shall also furnish, own, operate, and maintain the primary water meter. The customer shall own, operate, and maintain all other portions of the lateral.

2.06 Lateral and Meter Size

The Utility will determine the lateral size and meter size based upon the fixture information provided by the owner or authorized representative.

2.07 No Division of Water at the Curb

There shall be no division of water service for the extension and independent metering of the supply to an adjoining lot or parcel of land.

2.08 Meter Setting and Multiple Meters

The Utility will install piping, Valves, and fittings to facilitate the installation, removal and maintenance of the meter. Multiple meter settings shall conform to Utility specifications.

2.09 Service Connection

The water shall be turned on and the meter set by the utility only if all rules and regulations have been met and the main extension contributions, connection and/or installation charges have been paid. Requests for connection must be received during office hours and allow at least 24 duty hours until the time the meter is to be set.

2.10 Lateral Pipe Trench

The lateral shall be installed in accordance with Municipal Code and the Public Works Industry Improvement Program's <u>Standard Specification for Sewer and Water Construction in Wisconsin</u>, Sixth Edition, December 22, 2003, Including Addenda 1 and 2.

2.11a Lateral Installation by Utility

The Utility may install laterals from the main to the meter as outlined in Utility Policy 401.5 and provided for in Schedules Cz-1 and Cz-2.

2.11b Lateral Replacement by Utility

The Utility will replace those parts of the water lateral which are owned by the Utility and are deemed obsolete, according to Utility Policy 401.8, and provided for in Schedules Cz-1 and Cz-2.

2.12 Stub Lateral Installation

Subdividers are required to install stub water laterals at their expense in accordance with the Water Utility's standards and Procedures. All aspects of these rules are applicable including the requirement for lateral application. Stubs shall not be subject to a connection charge except when installed in conjunction with the property portion of the lateral.

2.13 <u>Inspection of Lateral Installations</u>

A Utility authorized representative shall inspect and approve all water laterals as a condition for connection to the system. The Utility shall set a meter only after all requirements have been met in accordance with the applicable rules and regulations as interpreted by the Utility.

2.14 Water Theft. Unauthorized Tapping of Laterals or Mains

When devices or methods are used to avoid the proper metering of the water being delivered, or when an unauthorized connection has been made, the Utility will estimate water use and present a bill for un-metered service. This bill shall be payable immediately, subject to disconnection of service 24-48 hours after notice has been provided to the property.

When the Utility has disconnected the customer the Utility will reconnect the customer only after the following conditions have been satisfied:

- a. The bill for water use has been paid, including a reconnection or re-installation fee and all late charges penalties and costs of collection.
- b. The person has paid the Utility the cost of repairing all damages to utility equipment.
- c. The person has agreed to comply with requirements to protect the Utility from further loss.

3.00 TEMPORARY WATER SERVICES

3.01 Definition of Temporary Water Service

A water connection shall be considered a temporary service when the facility to be supplied is of a temporary nature and/or the water use will be seasonal or temporary.

3.02 Application for Temporary Water Service

All persons making application for the introduction and use of temporary piping to supply water shall be considered as having agreed to be bound by the rules and regulations as approved by the Wisconsin Public Service Commission.

Application for the installation or the extension or alteration of a temporary water service shall be made in accordance with the rules for application for permanent water laterals (see Section 2.00).

3.03 Installation

The customer may install any portion of the lateral except the primary meter by using a licensed plumbing contractor or the utility and shall use materials that are in conformance with administrative codes and utility specifications. The rules governing installation of permanent water service shall apply.

3.04 Cost to Customer

The entire cost shall be borne by the customer (see Section 2.00 and Schedules Cz-1 and Cz-2).

4.00 SECOND OR ADDITIONAL LATERAL

4.01 Definition

A water lateral to a lot or parcel of land already having a water lateral shall be considered a second or additional water lateral excepting those cases where it can be proved that the size of the existing lateral is inadequate.

Said lot or parcel of land shall be that aggregation of space or area as identified by the legal description of the property when application for the existing was originally made. Subsequent transfer of title of portions of the property or acquisition of title to adjoining parcels added to or incorporated into the legal description of the property may, at the discretion of the Utility, be considered a revision of the original lot or parcel of land which comprised the original unit of service.

4.02 Application for Second or Additional Lateral

Application for the installation of second or additional water lateral shall be made in accordance with the rules of application for permanent water lateral (see Section 2.00).

4.03 Installation

The customer may install any portion of the lateral except the primary meter by using a licensed plumbing contractor or the utility and shall use materials that are in conformance with administrative codes and utility specifications. The rules governing installation of permanent water service shall apply.

4.04 Cost to Customer

The entire cost of the installation shall be borne by the customer (see Section 2.00 and Schedules Cz-1 and Cz-2).

5.00 EXTENDED OR ALTERED SERVICES

5.01 Definition of Extended or Altered Service

Any modification of a service installation to an existing building for the purpose of meeting a new meter setting location or adding multiple meters to meter individual units shall be considered an extended or altered service.

5.02 Application for Extended or Altered Service

Application for the extension or alteration of a service shall be made in accordance with the rules for application for permanent water service (see Section 2.00).

5.03 Installation

The customer may install any portion of the lateral except the primary meter by using a licensed plumbing contractor or the utility and shall use materials that are in conformance with administrative codes and utility specifications. The rules governing installation of permanent water service shall apply.

5.04 Cost to Customer

The entire cost of the installation shall be borne by the customer (see Section 2.00 and Schedules Cz-1 and Cz-2).

6.00 PRIVATE FIRE LINE INSTALLATION

6.01 Definition

This service consists of separate connections for automatic sprinkler systems, standpipes (where same are connected permanently or continuously to the mains), water storage tanks, and private hydrant systems.

6.02 Application

Application must be made in writing at the water Utility office.

6.03 Installation

The customer may install any portion of the fire service line using a licensed plumber of the Utility and shall use materials that are in conformance with administrative codes.

The pipe gallery and all the piping installed for private fire protection service upon the premises of the users shall be open and not concealed. Service shall be supplied on an un-metered basis billed at the established rates.

All connections shall include a customer furnished double detector check valve with a bypass meter. The Utility shall approve all double detector check valve installations. No connections for yard hydrants or post indicator valves will be allowed between the detector check valve and the utility water main.

6.04 Cost to Customer

The cost of the entire installation shall be paid by the customer.

6.05 Application of Rates

Charges for unmetered private fire protection rates shall commence at the time the domestic water meter is set, on a combination fire and domestic lateral, or when requested as a fire line only.

7.00 MAIN EXTENSION RULE

7.01 Definitions

Petitioner: The owner or representative of premises for which water is requested.

Customer: The owner or occupant of premises who receives and pays for metered water.

Additional Customer: Anyone who connects a water lateral to a main installed and paid for by others.

Contributor: The owner or representative of property who pays the required contribution.

Unit Cost: The average cost per lineal foot of main and appurtenances.

Approach Main: An off-site main leading to a subdivision or parcel of land which has been requested to be served but which does not have an existing main abutting same.

7.02 Permit for Main Extension

Application for a main extension permit shall be made in writing to the Utility by Petitioner. The permit shall identify the location of the property to be served using the officially recorded Property description.

7.03 Location of Property to be Served

The property to be served shall front on an official street in the city of Waukesha, or areas described in the city ordinance fixing the area in which water service may be furnished. Property may also be served by a main extension in an officially recorded easement granted to the Utility.

7.04 Specifications

All main extensions will be installed in accordance with <u>Specifications for the Installation of Water Main & Appurtenances for Waukesha Water Utility of the City of Waukesha.</u>

Main extensions will be installed, in streets, from an existing main to the furthest abutting property line of the property to be served, or in an approved easement, to the termination point of the easement.

7.05 Financing Main Extensions

a. Transmission Main or Connecting Loop

Where a main is classified as a transmission main or a connecting loop, the Utility may, at its option, finance said transmission main or connecting loop.

b. Approach Main Contributions

The entire cost of an approach main, with the exception of oversizing, shall be paid by the Contributor.

c. Customer Connection Charges

Before an Additional Customer can be connected to a main installed in accordance with a written agreement, the Additional Customer shall pay a connection charge. The charge is calculated by multiplying the abutting property frontage by one-half the unit cost of the original contribution or the full unit cost where appropriate.

This charge will be refunded, after a meter is set, to the Contributor, unless otherwise specified by written agreement. In no case will the connection charges exceed the amount of the original contribution.

Additional Customers connecting to transmission mains or connecting loops financed by the Utility shall pay a connection charge (as described in the above paragraph) to the Utility.

For any main installed after the date of this rule, the period during which a connection charge is required shall be limited to ten years from the date of acceptance of the main by the Utility.

d. Oversized Main Extensions

Where Contributor installs an oversized main, the Utility will make a refund to the Contributor. Refunds shall be based on the estimated per foot cost of the difference between installing a 12-inch diameter main and the diameter of the oversized main, multiplied by the length of the main. Calculation of the refund shall consider all costs incurred during installation.

Where a conflict or disagreement about costs exists the Utility will determine the amount of refund.

e. Main Inspection Charge

Payment of a main inspection charge will be required from the Petitioner submitting a main extension to the Utility for approval. The Petitioner shall pay the actual cost of inspection services.

f. Main Engineering Review Charge

Payment of a main engineering review charge will be required from the Petitioner submitting a main extension to the Utility for approval. The Petitioner shall pay the actual cost of engineering review.

g. Main Installed by Utility Crews

Where a main is installed by Utility crews, the Contributor will pay the full estimated cost of the main extension to the Utility prior to installation. Actual costs will be calculated after main installation. Contributor will pay the difference between estimated and actual costs. If actual cost is less than estimated; the Utility will refund the difference to the Contributor. The main inspection charge will be waived for Utility installed mains.

7.06 Extensions Ordered by Common Council

The Common Council of the City may, in the public interest, order main installation contrary to the requirements as set forth above and irrespective of approval by the Utility.

7.07 Extension Ordered by Public Service Commission of Wisconsin

Where a main extension has been ordered by the Public Service Commission of Wisconsin pursuant to Section 196.58 (5), Wisconsin Statutes, such installation shall be made even though conditions contrary to those set forth above may exist, and irrespective of approval by the Common Council or the Utility.

8.00 AUTOMATIC METER READING

8.01 Automatic Meter Reading

AMR is a system that enables reading of meters using electronic technology.

8.02 Equipment Installation

The Utility will install AMR equipment at the customer's premises.

8.03 Refusal of Installation

Utility customers who refuse the installation of AMR will be charged a service fee for manual reading. The fee will be added to the water bill. The amount will be as specified in Schedule AMR-1.

8.04 Equipment Maintenance

Maintenance of AMR equipment shall include the meter, register, and radio.

Equipment damaged by customer misuse or negligence will be repaired or replaced and charged to the customer at the standard cost of time and materials. Equipment and materials used in routine maintenance will not be charged directly to the customer.

8.05 Charges for Relocating Equipment

When AMR equipment is relocated because of customer request, the standard cost of time and material will be charged. Relocation of equipment that is deemed necessary by the Utility will be done without charge.

8.06 Inspection and Testing of Equipment

Inspection or testing of AMR equipment on customer's premises will be scheduled at reasonable times during the business day to perform such inspections.

8. 07 Water Auditing Service

Water usage by a customer will be monitored over a period of time upon written request. Charges will be levied to reflect the cost to Utility in accordance with <u>Schedule A - Fees and Charges for Materials and Services</u>.

8.08 Unauthorized Use of Equipment

Any person, agent, contractor, etc., using any of the AMR equipment without the written approval of the Utility will be subject to disconnection of water service and costs incurred by such use including but not exclusively: damage to Utility equipment, damage to customer's premises. Standard time and materials costs will be charged.

8.09 **Special Reading Services**

Schedule OC-1 notwithstanding, the AMR system will be used to provide special readings. These services will be provided at no charge to customers. The number, nature and time of meter readings will be at the discretion of the Utility.

8.10 Damage to Equipment

If AMR equipment is found to be damaged during the regular meter reading of a meter or during routine inspection and testing of AMR equipment, it shall be replaced by the Utility. Damages caused by customer negligence will be charged to the customer at the standard cost of time and materials.

9.00 WATER CONSERVATION

9.01 Sprinkling Restrictions

Every person owning or occupying a property served by the Utility not meeting any of the defined exceptions or special permitting allowed by the Waukesha Municipal Code Section 13.11 shall restrict its sprinkling use between the first day of May and first day of October according to the prescribed schedule.

A hand held water can, container, or hose may be used at any time to water gardens, trees, or shrubs, but only if the water device is utilized manually and not left unattended.

Whenever an employee or agent of the Waukesha Water Utility determines there has been a violation or that there are reasonable grounds to believe there has been a violation of any provision of this section, said person or other Water Utility designee shall follow the procedure set forth under the Enforcement and Penalty section of Waukesha Municipal Code Section 13.11.

9.02 Emergency Water Restrictions

If an Emergency Water Condition is in effect as defined in the Waukesha Municipal Code Section 13.11, every person owning or occupying a property served by the Utility the following emergency measures shall be in effect:

- a. All outdoor sprinkling or irrigation activity is prohibited.
- b. The washing of sidewalks, driveways, parking areas, tennis courts, patios, or other paved areas by the use of a pressurized source is prohibited.
- c. The washing of motor vehicles, trailers, and other self-propelled devices is prohibited except at facilities equipped with wash water recirculation systems.
- d. Outdoor use of any water-based play apparatus connected to a pressurized water source is prohibited.
- e. The filling of swimming pools, fountains, spas, or other exterior water features is prohibited except on residential properties not equipped with working central air conditioning systems or when necessary to alleviate an immediate threat to a person's health or safety.
- f. Operation of outdoor misting systems used to cool public areas is prohibited unless their use is necessary to alleviate an immediate threat to a person's health or safety.
- g. Water obtained by means of a fire hydrant shall not be used for cleaning equipment of any kind.

Whenever an employee or agent of the Waukesha Water Utility determines there has been a violation or that there are reasonable grounds to believe there has been a violation of any provision of this section, said person or other Water Utility designee shall follow the procedure set forth under the Enforcement and Penalty section of Waukesha Municipal Code Section 13.11. If failure to comply with Waukesha Water Utility's water conservation rules interferes with water service to other customers, the Waukesha Water Utility reserves the right to disconnect water utility service per Wis. Adm. Code §185.37 (2) (g) if the customer has first been notified and provided with reasonable opportunity to remedy the situation.

CITY OF WAUKESHA WATER UTILITY

Customer Water Bill Comparison at Present and Authorized Rates

		Quarterly						Quarterly Including Public Fire Protection				
Customer Type	Meter Size (Inches)	Volume (1000 Gallons)	F	Bills at Old Rates	В	ills at New Rates	Percent Change	F	Bills at Old Rates	В	ills at New Rates	Percent Change
Small Residential - Single Family	5/8	7	\$	37.96	\$	43.35	14%	\$	50.77	\$	59.76	18%
Average Residential - Single Family	5/8	14	\$	55.21	\$	66.70	21%	\$	68.02	\$	83,11	22%
Large Residential - Single Family	5/8	30	\$	98.89	\$	125.90	27%	\$	111.70	\$	142.31	27%
Large Residential - Single Family	5/8	75	\$	256.39	\$	339.65	32%	\$	269.20	\$	356.06	32%
Small Residential - Duplex	5/8	12	\$	48.51	\$	58.44	20%	\$	61.32	\$	74.85	22%
Average Residential - Duplex	5/8	25	\$	79.04	\$	100.65	27%	\$	91.85	\$	117.06	27%
Large Residential - Duplex	3/4	50	\$	158.84	\$	210.65	33%	\$	171.65	\$	227.06	32%
Large Residential - Duplex	1	100	\$	350.82	\$	468.45	34%	\$	381.87	\$	509.55	33%
Small Residential - Triplex	5/8	14	\$	52.73	\$	64.56	22%	\$	65.54	\$	80.97	24%
Average Residential - Triplex	5/8	28	s	87.23	\$	112.60	29%	\$	100.04	\$	129.01	29%
Large Residential - Triplex	3/4	60	\$	174.59	\$	234.20	34%	\$	187.40	\$	250.61	34%
Large Residential - Triplex	1	150	\$	506.57	\$	690.20	36%	\$	537.62	\$	731.30	36%
Commercial	5/8	50	\$	143.19	\$	187.90	31%	\$	156.00	\$	204.31	31%
Commercial	1	500	\$	1,180.67	\$	1,612.95	37%	\$	1,211.72	\$	1,654.05	37%
Commercial	2	1,500	\$	3,502.47	\$	4,794.75	37%	\$	3,604.44	\$	4,926.75	37%
Commercial	3	3,000	\$	6,600.45	\$	9,063.75	37%	\$	6,792.03	\$	9,309.75	37%
Commercial	6	10,000	\$	20,950.57	\$	28,873.75	38%	\$	21,587.11	\$	29,692.75	38%
Industrial	5/8	200	\$	485.69	\$	660.15	36%	\$	498.50	\$	676.56	36%
Industrial	i	1,000	\$	2,310.67	\$	3,172.95	37%	\$	2,341.72	\$	3,214.05	37%
Industrial	2	5,000	\$	10,572.47	\$	14,594.75	38%	\$	10,674.44	\$	14,726.75	38%
Industrial	4	9,000	\$	18,782.25	\$	25,926.75	38%	\$	19,100.52	\$	26,337.75	38%
Industrial	6	14,000	\$	29,030.57	\$	40,073.75	38%	\$	29,667.11	\$	40,892.75	38%
Public Authority	5/8	75	\$	203.19	\$	270.15	33%	\$	216.00	\$	286.56	33%
Public Authority	1	750	\$	1,745.67	\$	2,392.95	37%	\$	1,776.72	\$	2,434.05	37%
Public Authority	4	2,500	\$	5,652.25	\$	7,726.75	37%	\$	5,970.52	\$	8,137.75	36%
Public Authority	6	4,500	\$	9,840.57	\$	13,473.75	37%	\$	10,477.11	\$	14,292.75	36%

City of Waukesha Water Utility Schedule of Depreciation Rates Effective January 1, 2012

Account	<u> </u>	Depr.
Number	Class of Plant	Rate
	COLIDOR OF CLIDDLY DLANT	
214	SOURCE OF SUPPLY PLANT	2.00/
314	Wells and Springs	2.9%
316	Supply Mains	1.8%
	PUMPING PLANT	
321	Structures and Improvements	3.2%
325	Electric Pumping Equipment	4.4%
	WATER TREATMENT PLANT	
331	Structures and Improvements	3.2%
332	Sand and Other Media Filtration Equipment	3.3%
334	Other Water Treatment Equipment	6.0%
	TRANSMISSION AND DISTRIBUTION PLANT	
342	Distribution Reservoirs and Standpipes	1.9%
343	Transmission and Distribution Mains	1.3%
345	Services	2.9%
346	Meters	5.5%
348	Hydrants	2.2%
	GENERAL PLANT	
390	Structures and Improvements	2.9%
391	Office Furniture and Equipment	5.8%
391.1	Computer Equipment	20.0%
392	Transportation Equipment	13.3%
393	Stores Equipment	5.8%
394	Tools, Shop and Garage Equipment	5.8%
395	Laboratory Equipment	5.8%
396	Power Operated Equipment	7.5%
397	Communication Equipment	15.0%
397.1	SCADA Equipment	9.2%